



Testimony of AARP in support of Raised Bill No. 1049
An Act Prohibiting Certain Gifts From Pharmaceutical And Medical Device Companies To
Health Care Providers
March 1, 2009

AARP is a nonprofit, non-partisan membership organization for people age 50 and over. With over 40 million members nationwide and over 629,000 in Connecticut we are pleased to testify on SB 1049 and other health reform legislation being heard today.

AARP believes that all individuals have a right to health care services when they need them; coverage that provides adequate financial protection against health care costs; high quality health care; a reasonable choice of health care providers; and the financing of the system should be equitable, broadly based and affordable to all. More specifically, we believe all individuals should get the right treatment, drug or medical device, at the right time, for the right cost. And, we are committed to promoting evidence-based, unbiased prescribing and access to appropriate and affordable prescription drugs & medical devices.

Today, prescription drugs & medical devices can prolong life, improve the quality of life, or replace more expensive medical treatments. AARP research shows that paying for prescription drugs and medical devices is not just an issue for those with low-incomes, but also for those with moderate incomes. Further, we know that those with lower incomes often take less than the prescribed amount of medication because they cannot afford it and the practice of taking less medication than prescribed may ultimately result in higher health care costs when residents require urgent care and more costly hospitalizations.

The prices of the most widely used brand-name prescription drugs rose nearly 50% between 2000 and 2006, more than twice the rate of inflation.¹

According to IMS Health, a health care information company, in 2007, pharmaceutical companies spent more than \$6 billion on "detailing", an industry term for the sales activities of drug representatives, including office visits to doctors, mealtime presentations, and other gifts that foster goodwill and, some would say, encourage doctors to prescribe more their drugs. While it is the pharmaceutical company which assumes the cost of this detailing initially, it is ultimately the consumer who pays for this in the form of higher cost-sharing.

Relationships between pharmaceutical and medical device companies, prescribers and payers should be transparent, free from conflicts of interest, and guided by the best interests of the patient and the principles below:

- Prescription drugs & medical devices should be affordable for all patients and payers.
- Pharmaceutical & medical device marketing should be focused on getting the right drug or device to the right person at the right time.

- Consumers should have access to evidence-based, unbiased information about prescription drugs & medical devices.
- Decisions of whether to prescribe, what to prescribe and what drugs or devices to cover should be based on timely, unbiased, evidence-based data and should be guided by the best interests of the patient. The process of making those decisions should be transparent.
- Relationships between pharmaceutical & medical device companies, prescribers, and payers should be transparent and free from conflicts of interest.
- Prescription data should be protected from use in marketing.

SB 1049 would enact certain restrictions and reporting requirements with respect to payments and gifts from pharmaceutical or medical device manufacturing companies to health care providers. AARP strongly supports this proposed legislation!

¹ AARP Public Policy Institute and the PRIME Institute, University of Minnesota, based on data from Med-Spin Price-Check PC (Indianapolis, IN: Wolters Kluwer Health Inc., February 2007).